Canned Deciduous Fruit Situation
In Selected Countries

Production of canned peaches in selected countries for 2001/02 is estimated at 1.06 million tons, down 7 percent from the revised estimate of 1.14 million tons produced in 2000/01. World exports for the selected countries for 2001/02 are estimated at 677,000 tons, up 15 percent from the preceding year. Forecast canned peaches production for 2002/03 is placed at 1.09 million tons, up less than 1 percent from this year's level. Exports are forecast at 560,900 tons, down 17 percent from the 2001/02 estimate. Canned pear production for 2001/02 is estimated at 155,728 tons, up 26 percent from the previous year due to extraordinary Spanish output. Forecast production for 2002/03 is 138,000 tons, down 17 percent from 2000/01. Exports of canned pears for 2002/03 are forecast 93,000 tons, down 1 percent from last year's level.

Regional and Country Highlights

Market fundamentals, which for the past two years have worked to the benefit of Greek producers, have turned and now offer hope to other world producers. For the last two years, world prices have been depressed due to the enormous production and export of Greek product. Although 2002/03 world production is forecast to be up slightly from last year's level, exports for the 2002/03 year are forecast to be down by 17 percent or by 90,000 tons. This is due principally to the 32-percent drop in Greek production, and concomitant reduction in Greek exports. The reduced export availability is the principal factor helping to bring prices back to normal levels. In addition, Greek canners will be receiving smaller subsidy payments. At the same time, the euro is gaining strength against the U.S. dollar and other currencies, which will raise the price of Greek product.

Greece

Canned peach output for the 2002/03 marketing year is forecast at 276,000 tons, down 32 percent from the previous year and 24 percent from the May forecast. The total supply available for export in the coming year is the smallest since 1998/99 marketing year. Exports last year set a new record, reaching 458,000 tons, up 68,000 tons over the previous record set in 1995/96. Exports for 2002/03 are forecasted to be 300,900 tons.

Last year withdrawals totaled 50,000 tons compared to 204,000 tons the year before. This year withdrawals totaled only 3,000 tons, due to the reduced production. The EU's policy is to phase out withdrawal payments by marketing year 2003/04. Last year, the EU paid growers about 10.4 U.S. cents/kg for withdrawn fruit. The maximum quantity available for this payment equaled 20 percent of the total fruit marketed. This included both for fresh and processed markets and for both freestone and cling peaches. This coming marketing year, the EU will reduce this quantity to 10 percent of the total quantity marketed.

Support to growers is paid directly to producers' organizations for distribution to producers. This support is estimated to comprise about 4.3 cents of the price or about 20 percent of the price (21.8 cents/kg) received by growers. Thus, growers' income is a function of a weighted-average price consisting of the withdrawal price, market price, and EU subsidy.

Under the EU's previous canned fruit regime, the growers subsidy or guaranteed price was passed through the processors. The EU paid the processors a "processing aid" which theoretically was to be included in the price processors paid to the growers. However, there was always a suspicion that a portion of this aid was kept by processors and used to maintain inefficient operations, by acting as an indirect export subsidy. Essentially the EU forced international competitors to the wall to maintain their industry. As a result of the reform of the canned fruit regime -- principally the payment of subsidies to producer organizations and the gradual elimination of the withdrawal aid -- the number of processing plants declined from about 27 during the heydays of the mid 1990's to 15 in MY 2001/02. However, the decline in the number of processing plants did not translate into a decline in the capacity of fruit processing, which has always exceeded the demand for fruit.

Greek exports set a record 458,300 tons last year due to an unprecedented supply of low-priced, subsidized product and an appreciating U.S. dollar. However, several Latin American countries, whose currency depreciated against the euro, took protective action against imports of Greek shipments. Argentina initiated a countervailing duty of 12 percent on top of a 35-percent tariff and a $0.5/kg safeguard measure. Brazil initiated an antidumping duty of 100 percent on top of a 16.5-percent tariff and an additional tariff of 55 percent for a special listing of the product on an exception list. The loss of these two markets contributed to expanded shipments into the United States.

As Greece solidifies its dominance in the canned peach sector, production of fruit mixtures will increase. Peaches are the fundamental ingredients in a traditional fruit cocktail mixture. Excess production of fresh peaches accompanied by surplus processing capacity should, with proper management, provide a solid base for a larger output of canned fruit mixtures. Since 1997, Greek production of fruit mixtures has increased from 1,800 tons to over 28,000 tons last year. Production for the coming year is forecast at 33,600 tons.

Italy

Italian canned peach, pear, and mixed fruit output levels for 2001/02 are estimated at 17,000 tons, 46,500 tons, and 66,000 tons, respectively. Forecast production levels for 2002/03 are 21,000 tons, 46,000 tons, and 66,000 tons, respectively.

The appreciating dollar helped boost canned peach exports by 2,000 tons from their normal level of 32,000 tons. To a large extent, Italy was exporting a more expensive, higher-quality domestic product, while importing a lower-valued Greek product for domestic consumption. Production for 2002/03 is estimated at 21,000 tons and exports are estimated at 37,000 tons. This export figure is a bit higher than normal due to reduced Greek supplies.

Canned pear output for 2001/02 is estimated at 46,500 tons, up 500 tons from the previous forecast. Production for 2002/03 is estimated at 46,000 tons.

Italian exports of canned pears and mixtures are forecast to increase in marketing year 2002/03 to 39,000 tons and 65,000 tons, respectively. In fact, Italian canned pears and mixtures remain competitive on the international market, due to the quality of Italian pears and their relatively low prices.

From the marketing standpoint, canned peaches and pears are generally considered to be a mature food product with little room for growth due to competition from fresh fruit imports, which are increasingly available throughout the year. Fruit cocktail, however, is considered to be a convenience food that still offers market opportunities, especially in export markets. Canned pears and peaches are destined almost exclusively for the catering industry in Italy, while canned mixtures are still consumed by families.

South Africa

Forecast 2002/03 production of fruit for processing (peaches, pears, and apricots,) is placed at 250,800 tons, an increase of 16 percent from a year earlier. Fresh fruit expected to be delivered for processing comprises about 43,800 tons of apricots, 117,000 tons of peaches, and 90,000 tons of pears. This increase is expected to result in a 34-percent rise in canned fruit production (canned peaches, canned pears, canned apricots and canned fruit mixtures).

Exports of canned fruit in 2002/03 are expected to grow by 24 percent. The principal export is canned peaches, which will increase from 50,000 tons exported in 2001/02 to a forecast 70,000-tons in 2002/03.

South Africa's fruit canning industry is the fourth largest in the world. The domestic industry is made up of four main canners, Langerberg foods, Sapco of Delmonte Brand, Ashton, and Rhodes Fruit Farm Foods. Exports account for 90 percent of canned fruit production, 50 percent of which goes to Europe. According to the Canning Fruit Producers' Association (CFPA), the canning fruit market is growing only slightly each year. Except for peaches, not all of South Africa's deliveries for processing are used for canning. Depending on the quality, fruits are also processed for juice, or pureed as pulp and baby food.

South Africa's canned fruit exports to Europe are still important, although sales to the Far East and the rest of the world are constantly rising as a result of South Africa's shift in marketing strategy from Europe to other regions. Under the SA/EU Trade Agreement, which became effective in January 2000, the South African canners have closely monitored their EU shipments to get the maximum possible benefit from their allocated tariff quota. There has also been close liaison with government departments and the South African Revenue Service (SARS) regarding the management of the quotas. The quotas for marketing year 2000 were shared among the canners based on their historical average share of exports to the EU during the period 1996 to 1998. Although this procedure complies with the SA/EU Free Trade Agreement Protocol, it does not take into account shifts in individual canner export patterns.

The FAS Attaché Report search engine contains reports on the Canned Deciduous Fruit. For information on production and trade, contact Robert Knapp at 202-720-4620. For information on marketing contact Kristin Kezar at 202-609-0556.)

CANNED PEACHES: PRODUCTION, SUPPLY AND DISTRIBUTION

Country	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
				--Metric Tons Net Weight 1/--			
Greece							
2000/2001	102,000	397,000	1,300	500,300	366,000	13,000	121,300
2001/2002	121,300	407,000	1,000	529,300	458,300	14,000	57,000
2002/2003	57,000	276,000	1,300	334,300	300,900	13,000	20,400
Italy							
2000/2001	11,500	26,500	25,000	63,000	32,000	11,000	20,000
2001/2002	20,000	17,000	20,000	57,000	34,000	10,000	13,000
2002/2003	13,000	21,000	15,000	49,000	37,000	9,500	2,500
Spain							
2000/2001	22,000	143,000	4,400	169,400	72,000	75,400	22,000
2001/2002	22,000	125,000	3,200	150,200	74,100	71,100	5,000
2002/2003	5,000	154,000	2,500	161,500	75,000	76,500	10,000
United States							
2000/2001	57,359	350,888	47,859	456,106	14,171	401,110	40,825
2001/2002	40,825	325,577	62,555	428,957	8,447	389,892	30,618
2002/2003	30,618	401,919	50,000	482,537	10,000	405,000	67,537
Australia							
2000/2001	9,300	44,820	145	54,265	8,380	36,285	9,600
2001/2002	9,600	40,670	500	50,770	9,386	35,582	5,802
2002/2003	5,802	43,990	500	50,292	9,000	35,000	6,292
Chile							
2000/2001	319	46,000	168	46,487	36,268	7,000	3,219
2001/2002	3,219	39,000	186	42,405	36,000	5,600	805
2002/2003	805	45,500	500	46,805	39,000	7,000	805
Argentina							
2000/2001	1,605	70,520	499	72,624	2,268	70,000	356
2001/2002	356	47,000	0	47,356	6,800	40,500	56
2002/2003	56	67,000	0	67,056	20,000	46,500	556
South Africa; Republic of							
2000/2001	20,640	64,692	250	85,582	55,042	12,000	18,540
2001/2002	18,540	60,810	250	79,600	50,000	12,200	17,400
2002/2003	17,400	85,000	250	102,650	70,000	12,250	20,400
Total							
2000/01	224,723	1,143,420	79,621	1,447,764	586,129	625,795	235,840
2001/02	235,840	1,062,057	87,691	1,385,588	677,033	578,874	129,681
2002/03	129,681	1,094,409	70,050	1,294,140	560,900	604,750	128,490

Note: For Calendar year reference, MY 2002/03 would become Cy 2002
1/ One metric ton equals 48,99 standard 45-lb. cases net of 24x2 1/2 cans
Source U.S. Agricultural Attaché Reports

CANNED PEARS: PRODUCTION, SUPPLY AND DISTRIBUTION

Country	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
			--Metric Tons Net Weight 1/--				
Australia							
2000/2001	5,200	44,405	10	49,615	15,615	29,800	4,200
2001/2002	4,200	43,160	100	47,460	15,500	29,000	2,960
2002/2003	2,960	42,330	100	45,390	14,000	29,000	2,390
Spain							
2000/2001	900	28,500	400	29,800	13,100	13,700	3,000
2001/2002	3,000	48,300	300	51,600	20,500	18,500	12,600
2002/2003	12,600	27,000	500	40,100	18,000	14,000	8,100
Italy							
2000/2001	16,000	30,000	2,000	48,000	39,000	9,000	0
2001/2002	0	46,500	1,000	47,500	38,000	8,000	1,500
2002/2003	1,500	46,000	1,000	48,500	39,000	7,000	2,500
South Africa; Republic of							
2000/2001	10,024	20,660	0	30,684	20,648	2,050	7,986
2001/2002	7,986	17,768	0	25,754	19,000	2,250	4,504
2002/2003	4,504	22,700	0	27,204	21,000	2,270	3,934
Total							
2000/01	32,124	123,565	2,410	158,099	88,363	54,550	15,186
2001/02	15,186	155,728	1,400	172,314	93,000	57,750	21,564
2002/03	21,564	138,030	1,600	161,194	92,000	52,270	16,924

Note: For Calendar year reference, MY 2002/03 would become CY 2002
1/ One metric ton equals 48,99 standard 45-lb. cases net of 24x2 1/2 cans
Source U.S. Agricultural Attaché Reports

U.S. IMPORTS OF CANNED PEACHES
Marketing Year June/May

Origin	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
			--Metric Tons Net Weight 1/ --			
Greece	19,475	4,586	6,715	20,077	35,437	39,751
Spain	4,324	11,424	1,971	1,993	3,122	8,985
South Africa	2,717	3,863	1,531	474	4,390	6,943
Chile	1,166	447	69	2,388	1,654	653
China	244	728	1,064	369	881	2,342
Japan	69	7	0	0	0	0
France	56	102	46	95	133	112
Italy	19	13	25	0	59	30
Other	17	814	2,487	833	2,183	3,739
Grand Total	28,087	21,984	13,908	26,229	47,859	62,555

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

U.S. EXPORTS OF CANNED PEACHES
Marketing Year June/May

Destination	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
			--Metric Tons Net Weight 1/ --			
Canada	4,192	7,452	6,248	8,043	5,979	4,763
Mexico	451	950	4,154	5,395	220	740
Japan	2,559	2,917	2,475	2,248	1,083	261
Korea	1,593	569	1,220	1,142	1,541	496
Taiwan	1,295	912	1,036	346	392	47
Singapore	900	228	110	141	63	19
Hong Kong	809	287	197	47	56	0
Philippines	442	119	650	91	828	508
Costa Rica	494	581	619	450	343	336
Germany	233	346	265	101	0	0
Guatemala	217	188	226	383	216	142
El Salvador	214	218	245	273	243	71
Saudi Arabia	201	467	151	154	221	123
Russia	1,077	579	5	0	0	0
Other	1,329	3,184	10,133	1,383	2,986	941
Grand Total	16,006	18,997	27,734	20,197	14,171	8,447

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

U.S. EXPORTS OF CANNED PEARS
Marketing Year June/May

Destination	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
	--Metric Tons Net Weight 1/ --					
Canada	2,703	3,261	3,293	3,501	2,917	2,311
Mexico	77	14	0	23	0	103
Germany	115	95	96	0	0	0
United Kingdom	85	219	0	0	20	137
Japan	311	290	528	279	410	141
Hong Kong	49	6	128	87	0	120
Singapore	41	10	3	2	94	0
Thailand	39	22	17	8	1,260	1703
Malaysia	31	19	18	6	0	3
Russia	43	0	0	0	108	26
Saudi Arabia	15	58	29	3	0	7
United Arab Emirates	0	390	662	426	0	0
Other	197	323	214	254	1,032	1,814
Grand Total	3,706	4,707	4,988	4,589	5,841	6,365

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

U.S. EXPORTS OF CANNED FRUIT MIXTURES
Marketing Year June/May

Destination	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
	--Metric Tons Net Weight 1/ --					
Canada	7,422	8,512	10,432	10,273	4,653	3,154
Mexico	185	520	362	374	876	678
Japan	3,555	2,928	3,681	3,876	2,081	1,342
Philippines	3,804	700	633	640	628	386
Hong Kong	1,970	606	506	414	212	75
Singapore	1,826	999	817	567	455	388
Taiwan	416	626	814	355	104	36
Korea	421	689	500	547	158	75
Panama	597	1,148	802	844	593	364
El Salvador	337	379	486	447	479	248
Costa Rica	834	1,230	1,063	868	763	569
Saudi Arabia	820	1,182	1,022	186	659	690
Other	2,762	2,841	4,207	3,109	1,756	1,519
Grand Total	24,949	22,360	25,325	22,500	13,417	9,524

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau